Excise Duty Exemption to Jute Mills

1001. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that jute mills have been exempted from payment of excise duty for sale of Jute Bags;

(b) if so, the reasons therefor and the quantum of loss to Government as 100 per cent Foodgrains and Sugar are packed in Jute Bags;

(c) whether Government would withdraw this exemption as the State Government of West Bengal continued to levy Sales Tax even when the Central Government withdrew excise from jute mills 4-5 years back; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. All jute and jute products were exempted from excise duty in the Budget 1997-98 to revive and give a thrust to the ailing jute industry. When the exemption was given in 1997-98, the revenue loss estimated was of the order of Rs. 65 crore a year.

(c) and (d) There is no proposal to withdraw the exemption under consideration of the Government at present as exemption from sales tax is not a precondition for granting exemption from excise duty.

Involvement of Government Officials in Tax Evasion by Mohan Nagar Avas Society

1002. SHRI SURYABHAN PATIL VAHADANE: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned, "Naukarshahi mein bharashtachar ka bara mamla khulne kee sambhavana" appearing in Dainik Jagran dated 9th November, 2001;

(b) whether Government are aware of similar tax related

irregularities in Mohan Nagar Karamchari Sahkari Avas Samiti Ltd., Mohan Nagar district Ghaziabad under the patronage of the concerned Government officials;

(c) if so, the action being taken in this regard; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) to (d) No connivance or patronage of the Government officials has been noted towards any tax evasion attempted by Mohan Nagar Karamchari Sahkari Avas Samiti Ltd.

In order to detect any tax related irregularities in the case of the above mentioned Samiti, assessment proceedings have already been initiated for assessment years 1990-91 to 2000-2001 and the scrutiny of the accounts are in progress. The assessment orders are to be passed within the Statutory time limit provided under the Income Tax Act, 1961, *i.e.* by 31.3.2003 in respect of assessment years 1990-91, 1994-95 to 2000-2001 and by 31.3.2004 in respect of assessment years 1991-92 to 1993-94. In these assessment orders we will cover all aspects of possible tax evasion in this case.

Shortfall in Customs Receipts

1003. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether the customs receipts shortfall of the budget estimates by Rs. 2035 crore and total duty forgone under export promotion schemes amounted to Rs. 18166 crore during 1999-2000;

(b) if so, what are the respective figures for the fiscal year 2000-2001;

(c) what are the reasons for such a heavy and constant percentage of shortfall *vis-a-vis* customs duty forgone; and